

Foreign Capital Investment

*303. **Shri S. S. Kothari:**
Shri D. N. Paiedia:
Shri Solanki:

Will the Minister of Finance be pleased to state:

(a) the quantum of inflow of foreign investment capital into the country during the past five years;

(b) whether it shows a declining trend;

(c) if so, the reasons therefor; and

(d) the steps being taken to stimulate such inflow?

The Deputy Prime Minister and Minister of Finance (Shri Morarji Desai): (a) The inflow of foreign Business Investments in the Private Sector since 1st January, 1961 is indicated below. Information subsequent to 31st March, 1965 is not yet available.

	(Rs. Crores)			
	As at the end of			
	1961	1962	1962-63	1963-64
1. Fresh inflow	44.9	51.3	94.1	95.2
2. Retained earnings	15.8	7.8	7.4	21.1
Gross inflow (1+2)	60.7	59.1	101.5	116.3

Note 1. There has been a change in the statistical period from calendar year to financial year.

2. This information is compiled by the Reserve Bank after conducting a survey by issuing a questionnaire. There is always a time lag involved in such compilation and, as such, information for the years 1965-66 onwards is not yet available.

(b) No, Sir.

(c) Does not arise.

(d) Government has been taking various steps from time to time to encourage inflow of foreign investment, such as free repatriability of profits subject to payment of income

tax and of capital invested in approved projects, non-discrimination against foreign investors in regard to the application of Indian laws relating to industrial and import licensing, taxation etc. Government had also announced some measures to encourage foreign investment in private sector fertiliser projects.

Gold Securities by Customs and Excise Departments

*304. **Shri S. K. Sambandhan:** Will the Minister of Finance be pleased to state:

(a) whether it is a fact that the smuggling of gold is on the increase and

(b) if so, the steps taken to tighten smuggling of gold?

The Minister of State in the Ministry of Finance (Shri K. C. Pant): It is not possible to make a precise estimate of the quantity of gold smuggled into India. There is also no material before the Government to indicate that smuggling of gold is on the increase.

(b) Does not strictly arise. However, a statement showing the important steps taken to check smuggling is placed on the table of the Sabha.

Statement

Among the important steps taken to check smuggling are systematic collection and follow-up of information, rummaging of suspected vessels and aircraft, patrolling of vulnerable sections of the coastline and land frontiers and launching of prosecution in suitable cases in addition to departmental adjudication. In the field of legislation the Customs Act now provides for imposition of heavier sentences of imprisonment by courts of law. In the case of seizures of gold, diamonds and watches provision has also been made in the Customs Act for placing the burden of proof that these goods are not smuggled on the persons from whom they are seized.

Among the important economic measures taken, the two significant ones are: (i) replacing by a special currency in 1969 of the Indian currency notes circulating in the Persian Gulf area which provided an easy means of financing illegal gold transactions and (ii) introduction of the Gold Control.

Narmada Valley Project

*305. Shri Indulal Yajnik:
Shri Ramachandra Ulaka:
Shri Dhuleshwar Meena:
Shri Khagapathi Pradhan:
Shri Hirji Bhal:
Shri Shashi Bhushan:

Will the Minister of Irrigation and Power be pleased to state:

(a) the latest steps that have been taken by Government to settle the differences between the Government of Gujarat and other States concerned regarding the details of the Narmada river project as recommended by the Khosla Committee;

(b) the nature of the differences that remain to be settled between the Governments concerned;

(c) whether the Central Government have decided to implement the Narmada Valley scheme as a Central scheme along with some others, as finally settled in consultation with all State Governments concerned; and

(d) whether any practical steps have been taken by the Maharashtra Government to carry out the Jalasindhi Dam scheme without waiting for the final settlement of the dispute by the Central Government?

The Minister of Irrigation and Power (Dr. K. L. Rao): (a) and (b). After separate discussions with the Chief Ministers of Gujarat, Madhya Pradesh, Maharashtra and Rajasthan at the respective State Capitals during May-June, 1966, further discussions were held by the Union Minister of Irrigation and Power at a joint meet-

ing on the 22nd August, 1966. In the intervening period, the Chief Engineers and other officers of the concerned States and the Chairman and the concerned officers of the Central Water and Power Commission and the Ministry of Irrigation and Power discussed the technical aspects. At the joint meeting of the Chief Ministers, some suggestions emerged and it was decided that these should be discussed later among the Chief Ministers concerned, particularly the Chief Ministers of Madhya Pradesh and Gujarat, to arrive at an amicable settlement of the problem. Further action will be taken to settle the issue.

(c) As the scheme has not been sanctioned as yet the question has not been considered.

(d) No.

M/s. Bird & Co.

306. Shri A. K. Gopalan:
Shri C. K. Chakrapani:
Shri Jyotirmoy Basu:
Shri Madhu Limaye:

Will the Minister of Finance be pleased to state:

(a) whether Government have taken any action against M/s. Bird and Co. Calcutta;

(b) if so, the nature of such during the last 5 years and the penalty imposed on the company;

(c) whether Government have received any further reports about the irregularities of the said Company; and

(d) if so, whether Government would investigate into the affairs of the Company?

The Minister of State in the Ministry of Finance (Shri K. O. Pant): (a) and (b). The nature of actions taken and penalties imposed on M/s. Bird & Co (P) Ltd., by the Customs, Income Tax and the Enforcement Directorate of the Ministry of Finance, during the last 5 years are as detailed in the Statement laid on the Table of